

# BROWNFIELD REDEVELOPMENT PROGRAM

MISSOURI DEPARTMENT OF ECONOMIC DEVELOPMENT

## PURPOSE

To provide financial incentives for the redevelopment of commercial/industrial sites owned by a governmental agency or that are privately owned. The sites must have been abandoned for at least three years and have contamination caused by hazardous substances.

## AUTHORIZATION

Section 447.700 to 447.718, RSMo.

## HOW THE PROGRAM WORKS

The program provides state income tax credits for eligible remediation costs. The Department of Economic Development (DED) may provide a grant for public infrastructure or a loan or guarantee for other project costs. Also, tax credits may be provided to businesses that create jobs at the facility.

## ELIGIBLE AREAS

Statewide, but the program is structured for projects in blighted redevelopment areas.

## ELIGIBLE APPLICANTS

The property must be owned by a public entity. If owned by a private entity, the city or county must endorse the project.

The project must result in the creation of at least (10) ten new jobs or the retention of 25 jobs by a private commercial operation. "New jobs" are defined as full-time (35+ hours/week) for persons who were not employed by the business or a related taxpayer for the prior year. Housing projects do not qualify, but mixed use (housing and commercial) may qualify.

The project must be accepted into the "Voluntary Cleanup Program" of the MO Department of

Natural Resources, and cannot be a EPA (Environment Protection Agency) "Superfund" site.

## ELIGIBLE USE OF FUNDS

### ?? Remediation Tax Credits

DED may issue "remediation" tax credits for up to 100% of the remediation cost. The amount of remediation tax credits is also limited to the net state economic impact of the project. The applicant may sell the remediation tax credits to another Missouri taxpayer.

### ?? Loan or Guarantee Funds

The applicant may use the guaranteed loan or direct loan funds to finance capital improvements at the project location. Loan proceeds may not be used for working capital, refinancing, inventory, purchase of stock from existing owners or other operating costs of the business or another entity.

### ?? Brownfield Tax Benefits

The operator or lessees may obtain (for up to ten years), tax credits between \$500 and \$1,300 per year for each new job created; tax credits based on 2% (annually) of new capital investment; and a 50% income exemption. The city must provide real property tax abatement (for up to 15 years).

### ?? Due Diligence Matching Grant

A public entity may request grant funding (up to \$100,000 per project or 50% of the cost) to fund a feasibility study on an eligible facility. The other 50% may be from the public entity or private sources.

### ?? Grant for Public Infrastructure

The public entity may also request grant funding for public capital improvements for up to \$1 million (less any funds provided by loans or guarantees for the same project). The public entity and owner must demonstrate the inability to finance the entire amount of improvements to be considered for grant funding.

## **APPLICATION PROCEDURE**

An applicant must submit an application to DED for determination of eligibility. An application should also be submitted for remediation tax credits, Brownfield tax benefits, loan guarantees, a direct loan, and/or grant funding.

An application must also be submitted to the Department of Natural Resources (DNR) for participation in the “Voluntary Cleanup Program”. Acceptance into this program is a requirement of the Brownfield Redevelopment Program.

There are no application deadlines, and the program is non-competitive. Eligible projects are approved based on having a positive net state economic impact and the applicant’s need for incentives.

The application and guidelines are available at the Missouri Finance Network web site:  
[www.ecodev.state.mo.us/cd/finance](http://www.ecodev.state.mo.us/cd/finance)

## **APPROVAL METHOD**

The remediation tax credits may be provided to the building owner upon documentation of actual expenses, except that at least 25% may be retained until the “clean letter” has been provided in conjunction with the Voluntary Cleanup Program.

## **FUNDING LIMITS**

The total state costs of the project (tax credits, loans, grants) must be less than the projected new state economic impact of the project. DED will determine the economic impact for each project.

The program provides state tax credits for up to 100% of remediation costs. Guaranteed loans or direct loans to an owner or operator of the property are limited to \$1 million.

Grants to public entities are also available up to \$100,000 or 50% for feasibility studies or other due diligence costs. Grants can also be issued up to \$1 million for the improvement of public infrastructure for the project. The total of grants, loans or guarantees cannot exceed \$1 million per project.

## **CONTACT**

MO Department of Economic Development  
Incentives Section

301 West High Street; P.O. Box 118  
Jefferson City, MO 65102  
Phone: (573) 751-0717 Fax: (573) 751-7384

## **OTHER SERVICES OF DED**

### **DED REGIONAL OFFICES**

St. Louis (314) 340-6823  
Kansas City (816) 889-2900  
Trenton (660) 359-5960  
Springfield (417) 888-4001  
Moberly (660) 269-8802  
Dexter (573) 624-9950  
Houston (417) 967-5770  
Jefferson City (573) 751-0482

### **RELAY MISSOURI SERVICE**

Voice user calling a hearing/speech impaired user:  
800-735-2466  
Hearing/Speech impaired user calling a voice user:  
800-735-2966.

### **EMPLOYMENT ASSISTANCE**

DED’s Division of Workforce Development works in collaboration with its one-stop career system partners to offer workforce development assistance to job seekers and employers. By using the State’s network of one-stop career centers, customers can access America’s Job Bank, seek referral and placement assistance, career counseling and testing, labor market information and use Missouri WORKS!, an Internet based, self-service workforce development tool. To find your nearest Division of Workforce Development location, consult your telephone directory under State Government or visit: [www.ecodev.state.mo.us/wfd](http://www.ecodev.state.mo.us/wfd).